

Current Affairs

Part II

Q2) BRICS

Introduction: BRICS is the acronym denoting the emerging economies of BRAZIL, RUSSIA, INDIA, CHINA, and SOUTH AFRICA. The organization was formed to improve economic conditions and give their leadership an opportunity to collaborate for economic prosperity. Together these emerging markets represent 42% of world's population and account for 31% of global GDP according to World Factbook.

According to the 2023 summit in South Africa, over 40 nations were interested in joining the economic forum for the benefits membership will provide including development, finance, and increase in trade and investment. At the conclusion of the summit it was announced that 6 new members: Argentina, Egypt, UAE, Iran, Ethiopia, and Saudi Arabia will join the coveted organization starting 2024.

The expansion of BRICS is a significant step in the bloc's push to counterbalance the Western-led international order. But according to USIP:

"the question remains to what extent will they agree on what alternative world order might look like."

As pointed out by the statement, one can assume that there are some political and geo strategic implications facing the organization and there is a question of how the member states are looking to counter them.

Political Implications for Member States: At the time when the term 'BRICS' was first used in 2010 after the admission of South Africa, no one had in mind the alliance would seek to challenge the Western dominance in global affairs. But recently it is evident by the power moves and alliances the organization is forming that the bloc is ready to make some power moves in world politics.

The expansion, spearheaded by China, is a power move to challenge western dominance which seems to benefit Russia as well as the two main beneficiaries. Apart from these two, the other 3 are also seeking new trade ties and political partnerships to be less dependent on the west. The main motto of the expansion is to strengthen the "global South". China has become a super power, and it is now clear that one of the foundational powers of the current world order. India, which is likely to have the world's fastest-growing economy in 2023, is well positioned to become another super power. With the six new members, BRICS will account for a population of 3.7 Billion and 36% of the global economic output. Moreover, the group

will represent huge portion of world's mining and energy reserves, production and consumption, including nearly half of global oil reserves & 42% of global oil supply.

This power dynamic put the BRICS member countries well ahead in natural reserves and as the world still hasn't shifted to electric or renewable energy, most of the world relies on these countries including all the major Western economies which makes it very hard for them to influence or control these countries in matters which they do not stand for, but previously had to conform due to the political clout of the West.

Four of the six new members are situated in the Middle East and North Africa (MENA) region, that was not previously represented. Two of them, Iran and Saudi Arabia, are long-standing rivals. In March 2023, Tehran and Riyadh reached a deal, brokered by China. This showed the weakening political influence of the US in the region and its interest of isolating Iran from the world was left.

The BRICS countries have abstained from joining the West in imposing sanctions against Russia, and from

explicitly condemning the invasion of Ukraine. This nonalignment from the West may be a threat to the current international liberal order. These countries seek to counter the Western hegemony by invoking the very ideas of universalism produced by the liberal international order, calling for "promotion for peace," a "fairer international order," "fundamental freedom for all."

The BRICS countries refer to the necessity of protecting human rights in a non-selective, non-politicized way without double standards unlike the West. This makes it difficult for the US-led world order to sustain. Considering the diversity of the members' cultural background, it becomes difficult to make globally implemented concepts.

Geo-economic Implications:

The New Development Bank, is another sign not only of the return of economic competition, but of the transformation of the liberal international order itself. The global financial architecture that emerged was on the basis of free-trade, market economics, liberalization and privatization. At this point, however, these values are being supplanted by expansionist policies, and regulation. The NDB is a financing

alternative that lends Chinese yuan and has announced that it will now also use Brazilian and South African currencies.

We have seen India, Saudi Arabia, and China have started trading in Chinese yuan and are less dependant on the US dollar. Saudi Arabia has signed a deal to sell oil to China in their own currency. This change in the petrodollar is a major step for the members to be less reliant and open to trade and have a balanced shift from the Western economic dominance towards the South.

Challenges faced by BRICS nations:

Many challenges are faced by the BRICS group, including the great disparity in development and economy among its member states and major challenges in the field of security and political stability.

However, most important challenges facing BRICS expansion remain dependent on American pressure to prevent the candidate countries from joining a grouping not aligned with Western economic system, especially since several countries still need assistance from Western Institutions like IMF and the World Bank.

Other challenges include the fear of disputes between the countries and external interests. And finally

securing political and economic positions between the countries of the group. For example, Turkey, which is a candidate for membership is also a member of NATO, which may increase complications regarding the extent of convergence of views.

Conclusion: As of the current standing, the positive aspects of BRICS expansion, despite its challenges, seems like a positive step towards a more balanced world order and that is evident from the 40+ membership candidates looking to join the bloc.

Q4) Loss and Damages Fund:

The term "Loss and Damages" explained: Loss and damage refers to the negative consequences that arise from unavoidable risks of climate change, like rising sea levels, prolonged heatwaves, and extreme events such as wild fires, species extinction and crop failures. As the climate crisis unfolds, these events will happen more and more frequently, and the consequences will become more severe.

Establishment of Loss and Damages Fund:

The establishment of Loss and Damages Fund was, for many, the highlight of Climate Conference

COP 27 held at Egypt and the culmination of decades of pressure from climate vulnerable countries. The fund aims to provide financial assistance to nations most vulnerable and impacted by the effects of climate change.

While the historic decision was welcomed, the success will depend upon how quickly this fund gets off the ground. Representatives from 24 countries will work together over the ~~next~~ year to decide what form of the fund should take, which countries should contribute, and where and how the money should be distributed.

According to the former ~~gov~~ legal advisor to UNFCCC, "The proposed fund should identify and centre around vulnerable communities".

Meens Raman, Head of the Third World Program said, "The Pakistan floods alone are estimated to have cost more than \$30 billion in damages, and the government has asked for \$16 billion from the international community for reconstruction and rehabilitation."

Important considerations for the Fund:

If the Fund is to prove a success and actually help developing countries to deal with the devastating impacts of climate change there are multiple considerations that the committee and COP members will need to agree upon.

i) The Scope of the Fund:

What will be the threshold of damages & loss. What constitutes unavoidable risk of climate change. Which countries will be responsible for financing the fund? Although it is understood that funding will be falling on developed nations, but what definition will be used to determine the definition of developed nations.

Large economies and emitters are considered as potential donors, even where they are classified as developing nations under UNFCCC.

ii) Role of Financial Institutions:

Non state actors such as private financial institutions are expected to play a pivotal role in the fund. These institutions are in a position to help countries to use financial resources effectively. Development banks in particular have experience with multi-donor funds and risk transfer instrument. However, all these considerations will be discussed as a Transitional

committee prepares its recommendations for COP 28.

(iii) Closing the climate financial gap:

At COP 26 developed nations pledged 100 billion USD annually to go towards developing countries for the purpose of climate change adaptation. However, these financial commitments have yet to be met in full. Not only this, but research shows that this is not ~~not~~ nearly enough, as much as 1 trillion USD per year is needed by 2025 to successfully support developing countries.

Pakistan role in "Loss and Damages Fund."

Pakistan being less than 1% of ~~emissions~~ ^{global emissions} has seen \$30 billion in damages from severe flooding due to climate change. As a result, Pakistan ~~submitted~~ not only proposed the agenda to set up a loss and damages fund, but it was under its chairmanship of the G77 that this deal was reached. When the UN Framework Convention on Climate Change (UNFCCC) was being drafted in 1991, the need to address loss and damages fund was raised by (AOSIS) but it was not until COP 19 that the UNFCCC addressed loss and damages in the Warsaw International Mechanism.

It was under G77 chairman of Pakistan, through Munir Akram as the permanent member of Pakistan to the

UN, that this historic deal was passed. He argued that according to developing countries like Pakistan, which have suffered due to industrialisation, there's much to talk about global solidarity. But there is reluctance on the part of the west to admit their policies caused this, therefore they have a responsibility to respond to this. The leadership shown by Pakistan's representatives in COP27 and to keep the G77 countries united in helping to secure this historical loss and damage deal ought to be a diplomatic win for Pakistan.

Benefits for Pakistan: Under the fund, Pakistan is seeking financial assistance of \$16 billion for reconstruction and rehabilitation. The new funding will focus on addressing social security, infrastructure development, capacity building of frontline forces. The fund will be aimed at securing the affected areas promptly and taking measures to reducing the damages inflicted beforehand. Also Pakistan can use this fund to relocate people living in areas under future threat and building of infrastructure for refugees.

Q 7) One China two Systems Policy.

Origin of the Policy: The policy was originally proposed by Deng Xiaoping shortly after he took the reins of the country in late 1970s. His plan was to unify China and Taiwan under the One country Two Systems plan. He promised high autonomy to Taiwan. China's nationalist government, which was defeated in a civil war by the communists in 1949, had been exiled to Taiwan. Under Deng's plan, the Island could follow its capitalist economic system, run a separate administration and keep its own army but under Chinese sovereignty. Taiwan, however, rejected the Communist Party's offer. The Island has since been run as a separate entity from mainland China but Beijing never gave up its claim over Taiwan.

In 1997, the British returned Hong Kong to Chinese rule. While Beijing promising wide-ranging autonomy, individual rights and judicial independence at least until 2047.

US policy towards Taiwan:

In 1979, the United States established formal relations with Peoples Republic of China. At the same time, it severed diplomatic ties with Republic of China. But the US still maintains an unofficial relationship with the Island and continues to sell defense equipment to its military.

The US approach is governed by One China policy. It acknowledges the Chinese position that there is one China and Taiwan is part of China. Recently some US officials have said that "acknowledge" does not necessarily mean accept the Chinese position."

The US also rejects use of force to settle disputes; maintain cultural, commercial & other ties with Taiwan carried out through American Institute in Taiwan; commits to selling arms to Taiwan for self defence and will maintain the ability to come to Taiwan's defence.

The goal is to counter China's position and to maintain stability in the Taiwan Strait. In recent years, the US deepened its ties with Taiwan under Donald Trump, including selling more than US \$18 billion worth of arms to the military and unveiling a \$250 million complex for its embassy in Taipei. He also sent several senior administration officials - including a cabinet member.

The Biden Administration has taken similar approach continuing arms sales and affirming Trump administration decision to allow US officials to meet freely with Taiwanese officials. The US participates in military training and dialogues with Taiwan

regularly sails ships through Taiwan Strait to demonstrate its military presence in the region, and also has encouraged Taiwan to increase its defense spending.

On August 2022, the speaker of the US House of Representatives landed in Taiwan, which enraged China, triggering major crisis between US and China.

Implications of US policy towards Taiwan:

China had threatened "serious consequences" if Nancy - the highest ranking US official to travel to Taiwan in 25 years - went ahead with her visit.

Following her visit, Chinese warships and aircrafts repeatedly edged into the Taiwan Strait. China escalated its existing military activity in the region but in a way that it did not come in direct conflict with either Taiwan or the US.

The relations have become increasingly strained. Taiwan being a critical source of advanced semi-conductors is an important asset for the US and similarly on the other hand, China was the largest export partner of the US, which until recently dropped to second place as Mexico became the US leading

export partner after US sanctions on China recently.

Recommendations: US and China are two major global rivals and also ~~a~~ trade partners depending a lot on one another. They must move forward over this issue of cross-strait in a way that China continues its one China policy.

The US should avoid political and diplomatic gestures to provoke Chinese response but do so in a way that Taiwan remains competitive.

Try to negotiate a bi-lateral trade agreements with both US and Taiwan.